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## **Saudi Arabia**

### **Agricultural Situation**

# **Saudi Arabia Creates the Ministry of Water 2002**

Approved by:

**Quintin Gray**

**U.S. Embassy, Riyadh**

Prepared by:

Hussein Mousa

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#### **Report Highlights:**

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## The Kingdom Creates the Ministry of Water

On September 16, 2002, the Saudi Arabian Government (SAG) appointed Dr. Ghazi Abdul Rahman Al-Gosaibi, the former Saudi Ambassador to Britain to head the Ministry of Water (MOW) which was created last year. Dr. Al-Gosaibi is not a new face in the Saudi Arabian cabinet. In the early 80s, he headed the ministries of Health and Electricity & Industry before taking up his Ambassadorial post in Britain a decade ago.

The new Ministry has already taken over all water related departments and agencies used to be run by the Ministry of Agriculture and Water. As the result, the former Ministry of Agriculture and Water relinquished all responsibilities related to water and was renamed the Ministry of Agriculture (MOA).

Following are the main responsibilities of the MOW:

- i The supervision and management of the water sector including the water & sewage departments.
- i Conduct studies on water resources and prepares a national plan for water. The Ministry will prepare a comprehensive plan to establish water and sewage networks all over the Kingdom.
- i Develop the country's water policies and propose new regulations to preserve water.
- i Conduct a study on water tariffs for all groups of beneficiaries and set out a plan to ensure effective collection of water revenues.
- i License digging of wells and determine their depths.
- i Work out a suitable framework for private investment in the sector, covering financing, implementation, operation and maintenance of water projects.

### **Saline Water Conversion Corporation Remains an Independent Entity**

The Kingdom's largest portable water producing agency, the Saline Water Conversion Corporation (SWCC), will remain an independent organization but is attached to the MOW administratively, with the Minister of Water as its board chairman.

The Kingdom relies heavily on desalinated seawater for use as potable water and occupies the leading position in the world in the production of drinking water from the sea. Official statistics issued by the SWCC indicates that in the 2000, the Kingdom produced about 800 million cubic meters of desalinated water from 27 desalination plants. More than 70 percent of the total Kingdom's potable water is supplied by the SWCC while the balance is provided by the government-owned wells.

The desalinated water is distributed to various cities and towns of the Kingdom through pipeline networks with a total length exceeding 2,000 kilo meters. Along with the pipeline networks, there are 19 pumping stations to pump water to the 108 desalinated water tanks, each with a capacity more than six million cubic meters. The Kingdom's per capita daily water consumption is estimated at 300 liters.

## **Concern for Water Reduces Grain Production**

The SAG Government started to focus on water issues in the early 90s when several reports indicated that the underground water levels (non-renewable fossil water) were dropping to uncomfortable levels due to heavy uses in grains production (grains are produced on 24-hour pivotal irrigation system). In some heavy grain producing areas, water levels were dropping by more than 5 meters annually and some farmers had to dig about 1,000 meters to reach water levels. In response to the reports, the government drastically cut wheat production from 4.5 million metric tons in 1992 to 1.8 million metric tons in 1993 (a level maintained since then). Similarly, barley production was gradually reduced from 2.2 million metric tons to the current level of 100,000 metric tons.

With wells dug and center pivots in place, many wheat & barley farmers opted to turn their idled lands into forage production paving the way for increased output of alfalfa and Sudan grass to supply the growing dairy industry both in the Kingdom and the nearby Gulf Cooperation Council (GCC) countries. It took the government a while to evaluate the impact of the increased forage production on the ground water. In 1999, a MOA study revealed that forage production was as bad if not worst than grain production in depleting the non-renewable fossil water. To lessen the impact of increased forage production on underground water, the government banned forage exports in 2000. Before the ban, the Kingdom exported 15 percent of the total forage production to the GCC countries. According to MOA data, the ban decreased forage production by about 11 percent from 1999 to 2000 (from 3,606,000 metric tons to 3,262,000 metric tons).

## **Private Investment in Water Sector Sought**

Major Saudi cities like the city of Jeddah have been facing chronic shortages of drinking water for the past several years. Experts estimate that the Kingdom needs to invest about \$80 billion in water by 2020 when its population is expected to double from its current level of 23 million to more than 40 million.

As stated by the SAG, one of the duties of the MOW is to work out a conducive investment environment for the private sector to finance, operate and maintain water projects. However, it is unlikely that the private sector will investment immediately in this sector due to the low prices for water as a result of subsidized consumption. Consumers currently pay approximately three cents per cubic meter for desalinated water, which is below the estimated production cost for the SWCC.

## **Water Resource Data**

Following water resource statistics for 2000 was issued by the former Ministry of Agriculture and Water in 2001.

Total number of private wells (mostly used for farming)	97,745
Total number of Government wells (used for drinking water & in government experimental farms)	5,386
Total number of Dams	197
Total capacity of dam reservoirs (in million cubic meters)	809
Total number of dams under construction	11
Total capacity of dam reservoirs under construction (in million cubic meters)	19

End of Report